



FINANCE COMMITTEE

FEBRUARY 2, 2009

MINUTES

I. CALL TO ORDER – 6:30 PM, COUNCIL CONFERENCE ROOM

Chair Nancy Backus called the meeting to order at 6:30 p.m. in the Council Conference Room at Auburn City Hall, located at 25 West Main Street in Auburn. Chair Backus, Vice Chair Bill Peloza, and Member Lynn Norman were present. Present during the meeting were Mayor Peter B. Lewis, Risk Manager Rob Roscoe, Finance Director Shelley Coleman, City Attorney Daniel B. Heid, Public Works Director Dennis Dowdy, and Deputy City Clerk Cathy Richardson.

II. APPROVAL OF MINUTES

A. Minutes of the January 20, 2009 Finance Committee meeting.

Vice Chair Peloza moved and Member Norman seconded to approve the January 20, 2009 minutes.

MOTION CARRIED UNANIMOUSLY. 3-0.

III. CONSENT ITEMS

A. Vouchers

1. Claims

F4.9.5

2008 claims check numbers 382183 through 382187, 382189, and 382189 through 382193 in the amount of \$998,227.58 and dated February 2, 2009.

2009 claims check numbers 382188, 382190 through 382192, and 382389 through 382658 in the amount of \$755,644.71 and one wire transfer in the amount of \$4,722.00 and dated February 2, 2009.

2. Payroll

F4.9.2

Payroll check numbers 525576 to 525678 in the amount of \$378,750.14 and electronic deposit transmissions in the amount of \$1,207,623.37 for a grand total of \$1,586,373.51 for the pay period covering January 10, 2009 to January 28, 2009.

Committee members reviewed the consent items and briefly discussed claims voucher 382228.

Vice Chair Peloza moved and Member Norman seconded to approve the Consent Agenda.

MOTION CARRIED UNANIMOUSLY. 3-0.

IV. ORDINANCES AND RESOLUTIONS

A. Ordinances

1. Ordinance No. 6223

F2.4.9 LID 350

An Ordinance of the City of Auburn, Washington, approving and confirming the assessments and assessment roll of Local Improvement District No. 350 for the improvement of sidewalks, curb/gutters, driveways, wheelchair access ramps, and landscape strips, as provided for Ordinance No. 6111, and levying and assessing a part of the cost and expense thereof against the several lots, tracts, parcels of land and other property as shown on the assessment roll

Committee Members reviewed Ordinance No. 6223.

Vice Chair Peloza moved and Member Norman seconded to approve Ordinance No. 6223.

MOTION CARRIED UNANIMOUSLY. 3-0.

B. Resolutions

1. Resolution No. 4445

F4.6.1

A Resolution of the City Council of the City of Auburn, Washington, approving the demolition of residence located at 2033 4th Street Southeast, in Auburn, Washington

Risk Manager Rob Roscoe reported that the cost to relocate the modular home located near Fenster Park is more than the home is worth. Staff continues to try to find a buyer or an interested non-profit agency, but the cost of moving the unit is prohibitive.

Vice Chair Peloza moved and Member Norman seconded to approve Resolution No. 4445.

MOTION CARRIED UNANIMOUSLY. 3-0.

2. Resolution No. 4447

F5.4.2

A Resolution of the City Council of the City of Auburn, Washington, authorizing the Auburn City Council to accept grant funds in the amount of Forty Eight Thousand Six Hundred Ninety Three Dollars (\$48,693), from the U.S. Department of Transportation Federal Aviation Administration, for rehabilitation of medium intensity runway light (MIRL) runway 16/34 (PHASE 2) and authorizing the execution of the grant agreement therefor

Vice Chair Peloza moved and Member Norman seconded to approve Resolution No. 4447.

MOTION CARRIED UNANIMOUSLY. 3-0.

V. DISCUSSION ITEMS

A. Resolution No. 4446

F6,7

Continuing the sales and use tax credit against the State sales and use tax as allowed by RCW 82.14.415 relating to annexation

Director Coleman reported that Resolution No. 4446 levies the .1% sales tax credit against the State sales tax for annexation of the

Lea Hill area. In accordance with State law, the City must notify the State of their intent by March 1, 2009. This is the second year that the City has requested the sales tax credit. To date, \$550,000 of the \$750,000 requested has been received. She and Mayor Lewis will be attending a meeting in Olympia to clarify the State's methodology for calculating the tax credit as the methodology is not clear. The City should be receiving more revenue according to staff's calculations.

Committee Members briefly discussed Resolution No. 4446.

B. State Sales Tax Report and Real Estate Excise Tax (REET)

Mayor Lewis reported that the State Sales Tax Report indicates a 14% drop in sales tax revenue for the City of Auburn. There is a significant drop in sales tax revenue from approximately \$1,200,000 to \$900,000. Approximately \$200,000 of that is due to the implementation of Streamlined Sales Tax. The loss of sales tax revenue equates to approximately \$180,000 per month.

Mayor Lewis also reported on the Real Estate Excise Tax revenue received for 2009, which was approximately \$37,000. This is a significant decrease from 2008, which was approximately \$235,000.

Both items will be discussed in more detail at the upcoming Council retreat.

C. Howard Hanson Dam

Mayor Lewis reported on the condition of Howard Hanson Dam. During the last storm event, the dam was raised to a level higher than it has ever been and, once it was lowered, the Army Corps of Engineers discovered that a sink hole had developed. Mayor Lewis reviewed the problems related to the current amount of water being released from the dam into the Green River. If another significant storm event occurs, there is a probability that flooding will occur in the northeastern and northwestern areas in Auburn causing those areas to experience up to four feet of water. Areas north of Auburn could experience from eight to ten feet of water. City staff recently began a public notification process for those areas considered to be at highest risk of flooding. Two public meetings are scheduled for Saturday, February 7 beginning at 9:30 a.m. and Tuesday, February 10 at 6:30 p.m. to provide information to the public. With long range weather forecasting, the City could

have as much as five to eight days notice of a flood event. It takes from four to seven hours for water released from the dam to reach Auburn. Mayor Lewis stated that the City will be providing notice to the best of its ability and encouraged citizens to attend the public meetings for more information. Discussions are ongoing with the Auburn School District to coordinate mandatory evacuation should a flood event occur. A special City Council meeting will be scheduled to discuss emergency preparedness and pre-event planning.

VI. ADJOURNMENT

There being no further business to come before the Committee, the meeting adjourned at 7:17 p.m.

APPROVED THE _____ DAY OF FEBRUARY 2009.

Nancy Backus, Chair

Cathy Richardson, Deputy City Clerk